

~~SECRET~~

NO FOREIGN DISSEM/BACKGROUND USE ONLY



20 June 1966

OCI No. 1204/66

Copy No. 44

INTELLIGENCE REPORT

Prepared Weekly

for the

SINIOR INTERDEPARTMENTAL GROUP

DIRECTORATE OF INTELLIGENCE

~~SECRET~~

WARNING

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

C O N T E N T S

	<u>Page</u>
1. De Gaulle Goes to Moscow.	1
2. Japan	2
3. Argentina	3
4. Malaysia-Singapore-Indonesia.	4
5. Yemen	5
6. Italy	6

20 June 1966

~~SECRET~~
NO FOREIGN DISSEM

1. DE GAULLE GOES TO MOSCOW

In the last weeks prior to De Gaulle's departure for the Soviet Union, top French officials, including the general, have gone to great lengths to assure a variety of inquirers that the trip would produce no "surprises" and that only some "little agreements"--scientific, cultural, and economic--would be signed.

Although it can never be finally ruled out that these "assurances" are a deliberate deception, it is far more likely that De Gaulle is aware that neither France nor the Soviet Union is yet willing and able to make major moves on the central issues of Germany and European security. De Gaulle would be especially anxious not to have the trip judged a failure, if, when it is over, the agreements signed appear to have fallen far short of pre-visit expectations.

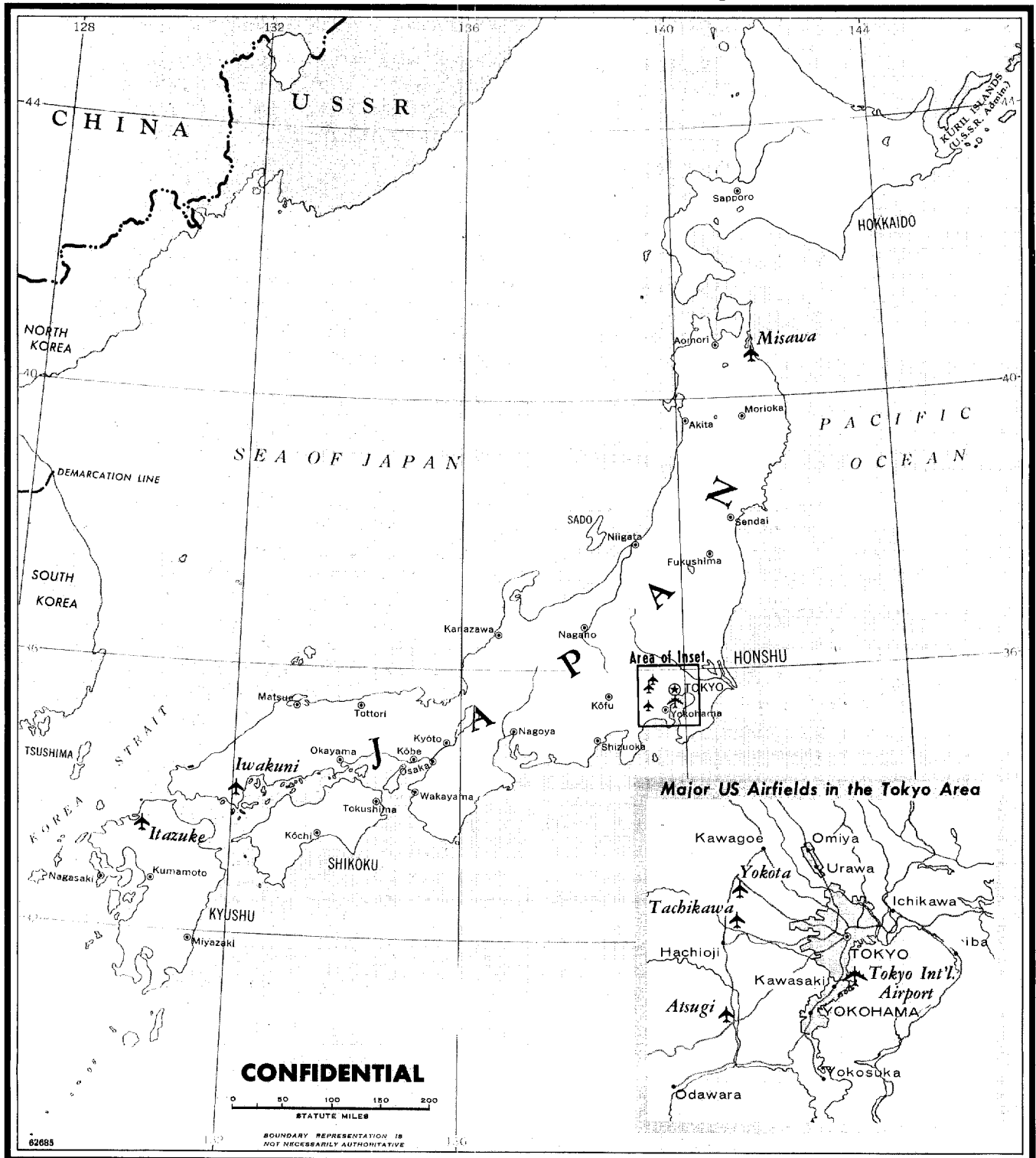
Moscow and Paris, for quite different reasons, may look on De Gaulle's visit primarily as a device to attract new attention to the launching of trial balloons on European security questions. The Soviets probably are not averse to some further tactical boat-rocking to keep NATO off balance and they may hope to gain some Western recognition of East Germany in the process. De Gaulle is interested in anything that would appear to push along the evolutionary process toward greater independence from the super powers.

Any appearance of movement by Europeans on European questions--probably a jointly held goal of Moscow and Paris--could prove attractive to other Western nations or at least substantial segments of their populations. This might result in less willingness on the part of the NATO 14 to hold together against De Gaulle, and less readiness by them to accept the argument that only a strong alliance can negotiate successfully with the Soviet Union. (SECRET NO FOREIGN DISSEM)

20 June 1966

~~SECRET~~

Major US Airfields in Japan

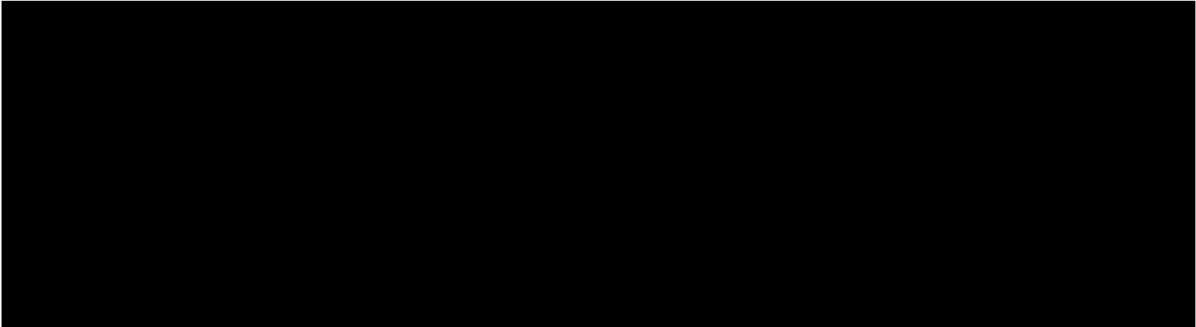


2. JAPAN

Suggestions from Tokyo that the Japanese Air Self-Defense Force might replace US Air Force units in Japan are receiving increasing public and official support.

The concentration of US forces and facilities in the Tokyo area is particularly galling to Japanese pride and has given rise to suggestions for using domestic forces to defend the national capital. In addition to the political sensitivity, this is the area of highest population density. Urban expansion is crowding US bases and causing continuing protests against noise and traffic congestion.

25X6



Although the current interest in reducing the US presence is based on growing national pride and interest in self-defense, it may soon be justified by the practical problem of overcrowding at Tokyo International Airport (TIA). The Japanese estimate that TIA will be completely saturated by 1971, five years at least before its only feasible alternative is expected to be available. The press is reporting that the Japanese may ask, during the US-Japanese cabinet level economic conference in early July, to take over or share in one of the local US fields to relieve the congestion. (SECRET NO FOREIGN DISSEM/BACKGROUND USE ONLY)

20 June 1966

SECRET
NO FOREIGN DISSEM

3. ARGENTINA

New government plans to deal with Argentina's economic and political problems appear to have ended the threat of an imminent coup, but several high-ranking generals are reportedly still dissatisfied and will continue to work for the overthrow of President Illia.

The government has announced that it will intervene in Tucuman Province to restore order after a wave of strikes by sugar workers. This is a reversal of President Illia's previous stand and indicates that he is determined to stay in power even at the expense of the policies of his Radical Party. Illia has also announced his intention to take strong action against illegal labor strikes, subversive organizations, and the sensationalist press.

25X1C
[REDACTED]
some of the generals who have been most active in coup plotting have decided that a coup is not now justified and have informed War Secretary Castro Sanchez that they will not move against the government at this time. However, [REDACTED]

25X1C [REDACTED] reportedly believes that the recent cabinet meetings have only postponed the eventual fall of Illia.

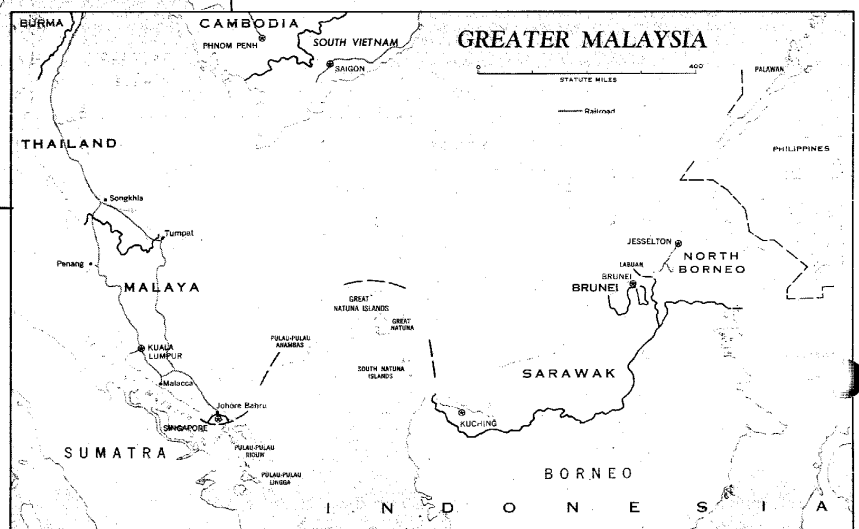
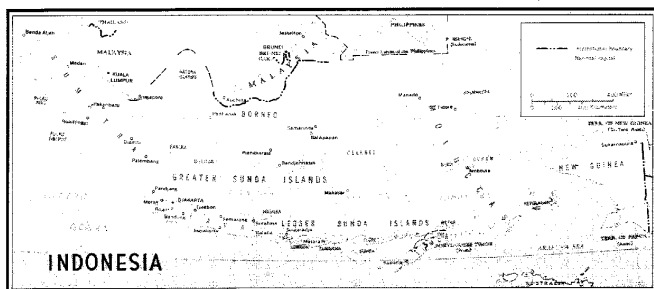
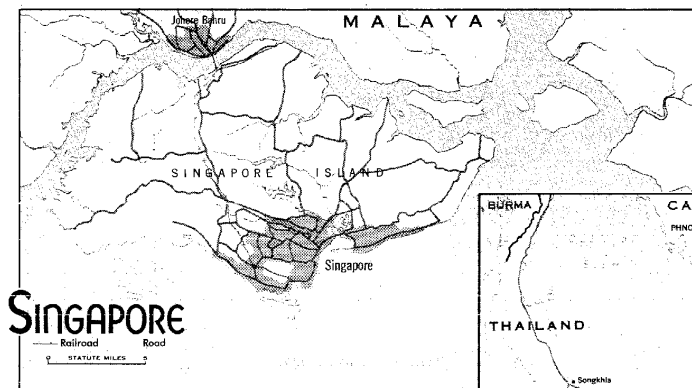
25X1C

Failure by the government to follow up the newly announced plans with effective action could heighten military impatience, but it appears that Illia will be given time to try the solutions he has proposed. (SECRET NO FOREIGN DISSEM)

20 June 1966

SECRET

Approved For Release 2001/04/09 : CIA-RDP79T00826A000900150001-0



Approved For Release 2001/04/09 : CIA-RDP79T00826A000900150001-0

4. MALAYSIA-SINGAPORE-INDONESIA

The developing rapprochement between Kuala Lumpur and Djakarta is speeding the decline of British influence in Malaysia and creating new areas of instability.

Malaysian leaders are increasingly disenchanted with their nation's close relationship with the UK, doubting British will and capability to continue military and economic assistance. An additional factor appears to be an expectation of future close cooperation with Djakarta.

Deputy Prime Minister Razak, heir apparent to ailing Prime Minister Rahman, said recently the end of confrontation will mean that all Commonwealth forces in Malaysian Borneo must leave as the threat of "external aggression" will have ended. Malaysia, however, faces a threat in Sarawak from Communists among the local Chinese, up to now largely contained by the presence of Commonwealth forces. Kuala Lumpur now is counting on Indonesian assistance in suppressing this insurgency--a dubious prospect since Indonesian military units assist the Chinese insurgents.

Rapprochement also will encourage fears among Malaysia's Chinese (37 percent of the population) over the "pan-Malay" overtones of the alliance.

Singapore, economically dependent on the Malaysian hinterland, is sure to be affected by the ending of confrontation. Even after expelling Singapore from the Malaysian federation, Kuala Lumpur has exercised effective veto power over Prime Minister Lee Kuan Yew's foreign policy. With an end to the security problems posed by confrontation, Malaysia may feel free to dictate the terms of future economic, political, and military relationships.

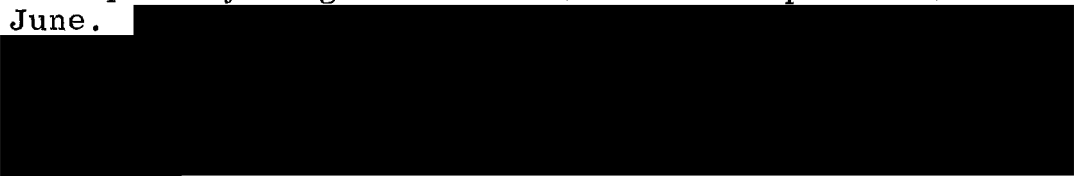
The reported informal agreement reached at Bangkok between Malaysia and Indonesia to "cut Singapore down to size" is ominous. If their economic and political pressure prevents Lee's government from continuing to offer the predominantly Chinese population an attractive alternative to alignment with Peking, Singapore could become a major center of Chinese Communist subversion in South-east Asia. (SECRET NO FOREIGN DISSEM)

5. YEMEN

King Faysal and President Nasir are considering proposals offered by Kuwait in its effort to mediate the Yemen dispute. Kuwait has ingeniously incorporated the requirements of both leaders into one plan: Faysal's demand for 50-50 representation in a Yemeni transitional government is merged with Nasir's demand that the government be in a republican framework, and Faysal's request for immediate Egyptian troop withdrawal is balanced by meeting Nasir's condition that the Yemen royal family be banned from Yemen.

Major difficulties remain, however. It has not yet been made clear whether this caretaker government would be in the republican mold. The Kuwait plan also calls for a joint Arab armistice force which might prove impractical to assemble and deploy in Yemen.

At the moment, Egyptian-Saudi tensions seem to be easing. Faysal toned down the Saudi press before he left 15 June on a state visit to Spain and the US. Nasir, in turn, has refrained from using Faysal as a primary target in his most recent speech on 15 June.



25X6

20 June 1966

6. ITALY

The local elections in Italy last week resulted in marginal gains for most of the coalition parties at the expense of the Communists and the far right, but the elements of instability in the government remain.

Despite reports that some Christian Democratic factions may try soon to get Premier Moro out, it seems probable that the government will succeed in drifting along through the summer parliamentary recess. If it does, the critical point may come this fall when the reunification of the Socialists and Social Democrats--which received some impetus from the elections--is expected. At that time, those Christian Democrats who fear the merger would undercut their party's dominant position in the coalition may try to replace Moro with another of their party less amenable to cooperation with the Socialists. In that event, the difficulty of getting agreement on a successor might require that the national elections, which are due in 1968, be moved up.

A second government crisis this year would further delay implementation of the government's program and could cause at least temporary abandonment of the center-left formula. (CONFIDENTIAL NO FOREIGN DISSEM)

Approved For Release 2001/04/09 : CIA-RDP79T00826A000900150001-0

SECRET

Approved For Release 2001/04/09 : CIA-RDP79T00826A000900150001-0

SECRET